

**Bechtel Nevada Corporation
Nevada Test Site Subcontracting Plan for Utilization
of Small, Small Disadvantage,
and Women-Owned Small Business Concerns
for FY1999**

Introduction

This subcontracting plan is implemented by Bechtel Nevada Corporation (BNC) in performance of the work described in Part I, Section C, Description/Specification/Work Statement, of the contract. BNC has a well established record of performance, both in prime Government contracts, which include contracts with the Department of Energy (DOE) and other Government agencies, and has been frequently recognized for exceeding its socioeconomic goals.

BNC believes that diversity is much more than affirmative action in the work place. It is a belief that when transformed into action, provides an organization with comparative advantages over its competition, both in the work place and in the business community.

Diversity in subcontracting is not just a promise with respect to BNC's performance in the performance-based management contract at the Nevada Test Site. It is an operating principal in management, with which Bechtel has had a lot of experience and a lot of demonstrated success. Much of Bechtel's commercial business has been based in and has succeeded with subcontracting to small, small disadvantaged, and women-owned small businesses (SB/SDB/WOSB).

Building on this experience and success has resulted in the institutionalizing of diversity and small business development, while setting challenging and aggressive goals. BNC has extended this approach to the management and operating support for the DOE/NV operations at NTS.

Statement of Policy and Commitment

It is the policy of BNC to encourage the participation of (SB/SDB/WOSB) in its programs to the maximum extent consistent with efficient performance and compliance with applicable public laws and prime contract requirements, and consistent with current DOE policies and practices.

BNC is committed to making the maximum practicable use of SB/SDB/WOSBs. All BNC procurements are subject to review for opportunities: to identify potential SB/SDB/WOSB suppliers and contractors; to develop good working relationships with them; and to encourage them to offer their products and services. The subcontracting plan includes the utilization of key SB/SDB/WOSB subcontractors to perform specific areas in the scope of work.

Bechtel has extensive experience in qualifying SB/SDB/WOSB to perform technical work scope. BNC has six (6) such key subcontractors, two of which are participating with BNC as partners in Mentor-Protégé agreements. The specific work scope areas are: (1) information systems development; (2) support defense programs, operations, strategic business development, and reengineering activity; (3) provide supervision, personnel, equipment, material, and transportation as necessary to perform engineering and technical services in management of special nuclear materials; (4) performance assurance, reengineering, strategic business development, emergency response, nuclear test readiness, and core competency; (5) water and wastewater services and environmental engineering services, hazardous waste and waste management, general engineering, and related support services; and (6) technical support service in support of the nonproliferation deterrence/counter-proliferation and new business development initiatives.

BNC's management, along with its Teaming Partners Lockheed Martin Nevada Technologies, Inc., and Johnson Controls Nevada, Inc., believe that diversity in subcontracting provides a vital link to the local community, strengthens the economy, creates new opportunities, is cost effective and good business practice.

Small, Small Disadvantaged and Women-Owned Business Participation Goals

This plan is effective for the five-year term of the contract, plus an additional 5 years if the contract is extended. The SB/SDB/WOSB goals will be negotiated on an annual fiscal year basis, and this plan will be updated accordingly. As appropriate and based on the mutual agreement of the parties to this contract, any other provisions or requirements of this plan may be negotiated and updated on an annual basis.

Based on the best available information for forecasting acquisitions during FY 1998, BNC has established a goal to award approximately \$35,100,000 to Small Business Concerns. This is approximately 54 percent of the total amount available for subcontracting, or base, which is estimated to be approximately \$65,000,000. The goal established for first tier subcontract awards to SDB concerns is approximately \$5,395,000 or 8.3 percent of the total estimated amount available for subcontracting. The goal for WOSB participation is approximately \$3,900,000 or six percent of the estimated total. The projected amount for large business concerns is approximately \$29,900,000 or 46 percent of the estimated total. Indirect costs are not included in establishing goals under this plan. These goals are considered to be realistic and attainable.

Potential Subcontract Opportunities for Small, Small Disadvantaged and Women-owned Businesses

The total amount of subcontracting opportunities to be made available for procurement during the period of performance in support of this contract consists of the items described in the table below. The amount shown for the general work categories are estimates only. A Site Master Plan for Make-or-Buy subcontracting opportunities has been prepared. As new opportunities are identified, the base of dollars available for procurement and subcontracting will be expanded upward, while the goal percentages will remain constant. The base will also be adjusted periodically to reflect changes in the DOE mission at NTS.

Work Category	Opportunity Area	Estimate (millions)
General Engineering	All traditional A/E disciplines Communications Engineering Quality Assurance/Quality Control	\$2.5
Environmental Engineering and Remediation	Environmental Testing Air Quality Sampling Waste Management Chemical Analysis Site Evaluation Studies Permitting	\$2.5
Waste Operations	Removal and Remediation Waste Disposal	\$2.5
Construction Services	Construction Equipment Rental Construction Materials General Construction Drilling Surveying (incl. aerial & mapping)	\$8.5
Hauling Services		\$0.5
Testing and Quality Control	Materials Testing Lab Chemical Analysis Non-destructive/Destructive Test Control and Monitoring Devices	\$2.0
Computers	Operations Analysis Modeling and Simulations Data Base Management Computer Hardware/Software Archiving and Document Control Network Design and Development	\$1.5
Communications	Telecommunications Systems Military Communications Systems Paging Services Short-wave Radios and Cellular Phones Satellite TV Systems and Closed Circuit Fiber Optics Advertising and Signage	\$1.0
On-site Security	Electronic Surveillance Systems High Security Alarms and Locks	\$0.6
	Total Estimate	\$21.6

BNC's strategy for subcontract plan goals includes a practice frequently used in Bechtel projects which includes SB/SDB/WOSB subcontractor teaming partners to perform specific areas of technical work.

Key Subcontractor	Work Activity	Company Size
Arrowhead Technologies	Information systems development	SDB, 8(a)
Keystone International, Inc.	Support defense programs, operations, strategic business development, and reengineering activity.	SWOB
Los Alamos Technical Associates, Inc. (LATA)	Provide supervision, personnel, equipment, material, and transportation as necessary to perform engineering and technical services in management of special nuclear materials	SB
PAI Corporation	Performance assurance, reengineering, strategic business development, emergency response, nuclear test readiness, and core competency	SWOB, SDB
PEER Consultants	Water and wastewater services and environmental engineering services, hazardous waste and waste management, general engineering, and related support services	SWOB, SDB
SO Technologies, Inc.	Technical support service in support of the nonproliferation deterrence/counter-proliferation and new business development initiatives	SB

Administrator of Subcontracting Plan

Doris M. Burnett, Procurement & Property Management Department Manager, is designated as BNC's representative to administer this subcontracting plan. In the performance of the responsibilities under this plan, BNC representatives shall ensure that the following activities are managed in a timely and effective manner:

1. Maintain source lists of potential SB/SDB/WOSB suppliers and subcontractors.
2. Seek out other SB/SDB/WOSBs when the number of prospective sources is not adequate.
3. Keep records describing BNC's performance against the goals established herein.
4. Make monthly reports to BNC's senior management concerning awards made under this program.
5. Submit Standard Form 294, Subcontracting Report for Individual Contracts, and Standard Form 295, Summary Subcontract report, in accordance with the prime contract.

6. It is the buyer's responsibility to ensure customers are acquainted with SB/SDB/WOSB goals.
7. Verify that subcontracts issued by BNC contain the flow-down clauses pertaining to SB/DB/WOSB concerns when required and maintain policies and procedures as required by the prime contract.
8. Require lower tier subcontractors to submit subcontracting plans pursuant to PL 95-507 and monitor for compliance with those plans.

Subcontract Terms and Conditions

All subcontracts placed under this plan that offer further subcontracting opportunities will include the "Utilization of Small, Small Disadvantaged and Women-Owned Small Business Concerns" clause.

Except for Small Business concerns, subcontractors receiving subcontracts in excess of \$1,000,000 for construction, or in excess of \$500,000 for all other subcontracts, shall be required to submit and obtain an approved subcontracting plan.

Reports

BNC will submit reports on Standard Form 294 and 295 to indicate progress in achieving the goals stated herein. BNC will cooperate in any studies or surveys as may be required by the DOE or the Small Business Administration to take advantage of new programs and to determine the extent to which BNC is compliant with prime contract requirements.

Records

BNC will maintain records of the subcontracts made under this plan, containing the following information for subcontracted products and services:

1. SB/SDB/WOSB source lists, guides and other identifying data.
2. Records on all competitive subcontract solicitations indicating on each such solicitation whether or not SB/SDB/WOSB sources were solicited.
3. Records of outreach efforts, contacts with minority and small business trade associations, and attendance at small and minority business procurement conferences and trade fairs.
4. Records of internal activities to train, guide and encourage buyers and project personnel to support NTS socioeconomic goals. Such records include reports of workshops, seminars, training programs, and monitoring activities to evaluate performance and compliance.
5. Subcontract reports and statistics including records to support subcontract awards.

Implementation

The following additional functions will be performed to effectively implement this plan:


1. Arrange solicitations, time for preparation, quantities, specifications, and delivery schedules so as to facilitate participation by SB/SDB/WOSB concerns.
2. Provide mentoring and general information to representatives of SB/SDB/WOSBs regarding subcontracting opportunities and solicitation, bid and proposal practices.
3. Establish and maintain contacts with SB/SDB/WOSB trade associations and business development organizations.
4. Maintain an effective outreach program, with a planned schedule of outside events, including conferences and trade fairs, augmented with a greatly improved communication process. This will be achieved by providing and frequently updating procurement information via Procurement Department Internet Home Pages. The Home Pages will provide information on short- and long-term bid and proposal opportunities and Current acquisition planning.
5. Fully integrate acquisition planning with the site master plan for Make-or-Buy implementation. The resulting increase in subcontracting opportunities will be focused on developing new and commensurate opportunities for SB/SDB/WOSBs.

BNC's strategy and implementation plan, outlined above, will have the full support of BNC and Bechtel National, Inc., management.

Signed: 
Bechtel Nevada Corporation

Title: Manager, Procurement & Property Management Department

Date: August 17, 1998

Plan Accepted By: 
Contracting Officer
Department of Energy

Date: 12/11/98